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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 005026

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E.O. 12958: DECL: 11/20/2017

TAGS: PREL PGOV PTER PINR EPET ENRG EINV IR PK IN
SUBJECT: INDIA WANTS TO STAY QUIET ON ITS WESTERN (IRAN AND
PAKISTAN) FRONT

REF: A. SECSTATE 157039

¶B. NEW DELHI 05001

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Classified By: Ambassador David Mulford for Reasons 1.4 (B,D)

¶1. (C) Summary: Foreign Secretary Shivshankar Menon told the Ambassador November 19 that the Indian government had not yet determined how it would express its concern about the IAEA Director General's Iran report. Although he conveyed the Indian government's continuing concern with the lack of transparency and resolution, Menon hoped that India would not have to make a statement at the IAEA Board of Governors meeting, which could incite domestic political difficulties at a politically fragile moment. Regarding Pakistan, Menon expressed alarm about the November 12 break-in at the Indian High Commissioner's residence in Islamabad, and saw it as a sign of the breakdown in Pakistan's command and control infrastructure. In a separate November 19 meeting with Polcouns, Ministry of External Affairs Joint Secretary Raghavan stated that India would remain quiet on the Pakistan crisis and intent on continuing with the Composite Dialogue. Raghavan also agreed with most of the U.S. points on Iran, though he questioned the feasibility of sanctions. He dismissed press reports that Iran had given India a four-month deadline to conclude talks on the Iran-Pakistan-India pipeline. End Summary.

Menon Sees Shortcomings in DG Report

¶2. (C) In a November 19 meeting with Foreign Secretary Shivshankar Menon, the Ambassador encouraged him to make a tough national statement on the IAEA Director General's November 15 report on Iran during the IAEA Board of Governors November 22-23 meeting. Menon conveyed that the Indian Ambassador in Vienna had told him that India may not have to say anything, an option Menon preferred. As an alternative, Menon thought India could mention the Iran issue "tangentially." If India did make a national statement,

Menon said that it would note that the report indicated "there is still a long way to go." Moreover, he continued, the report left many issues open and noted that Iran has continued its enrichment program. "We will encourage the Director General to clear up what he can," Menon said, adding that India would express a preference for "diplomacy as the preferred course." Pressed to mention UNSCR sanctions, Menon declined, explaining that the IAEA is "not the right place." Menon underlined that India might add its own concerns as well, particularly the lack of reference to A.Q. Khan by name.

Break-in at Indian High Commissioner's Residence in Pakistan
Worrying

¶3. (C) Menon became exercised when PolCouns inquired about the November 12 break-in at the Indian High Commissioner's (HC) Residence in Islamabad. "What was the message? We have no coherent explanation," he stated, adding that any break-in at such a heavily secured site could only have been possible with Government of Pakistan involvement. He pondered whether the perpetrator meant to indicate that Musharraf was no longer in control or whether the Indians should not meet with Benazir Bhutto, as the High Commissioner had done November ¶11. He recalled that no matter what crises India and Pakistan encountered in the past, the Pakistan government would do many things, including kidnapping and interrogating Menon's Political Counselor during Menon's stint as High Commission, but had always stayed away from the High Commissioner's residence. Menon saw it as a clear sign that "command and control is breaking down." When coupled with Jaish-e-Muhammad messages intercepted by the Indians, the situation "really frightens us," Menon admitted. He noted that India's interlocutors in Pakistan were "horrified and professed complete ignorance."

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India Continues to Lie Low on Pakistan

¶4. (C) MEA Joint Secretary (Pakistan, Afghanistan, and Iran) T.C.A. Raghavan told PolCouns November 19 that the GOI did not want to get involved in what was "clearly emerging as a very dangerous situation" in Pakistan. He emphasized that, although the GOI was concerned about the situation and the impact of Pakistani politics on India, it would not be helpful for India to offer prescriptive advice to Pakistan. "Our assessment is that it would not be helpful for us to articulate our view," he underscored. Raising the break-in that had occurred at the Indian High Commissioner's residence in Islamabad November 12th, Raghavan dismissed the notion that the incident was a burglary, as the perpetrator took nothing. "This has never happened - it is unimaginable," he expounded. A former High Commissioner to Pakistan, Raghavan maintained that the residence was under constant surveillance and observed that it would be "impossible" to break into. "Even when things were very bad (in Indo-Pak relations), certain red lines were observed. Someone is giving us a message," he surmised, adding that, while the "old order" had not changed, India has started "dealing with new people," including the new Deputy Director of Inter-Services Intelligence.

Indo-Pak Composite Dialogue Will Continue

¶5. (C) Asked if the current state of Pakistani affairs would cause a cessation of the Indo-Pak Composite Dialogue, Raghavan responded that the two sides would take little more than a pause in discussions due to the interim caretaker government. "There will be no interruption of institutional structures that I see," he said, pointing out that the Pakistani caretaker Foreign Minister and Foreign Secretary will attend the South Asia Association for Regional

Cooperation (SAARC) Council of Ministers meeting in New Delhi
December 7-8 .

Concerns About Pakistani Arms and Extremism Unabated

16. (C) Raising the U.S. review of its aid to Pakistan, Raghavan opined that, plotted out, Pakistan's arms orders would be equal to the amount of aid it received from the USG.

"You have to see whether (financial aid) is geared towards anti-terror operations or more traditional ones," he warned, adding, "I say this because I think Pakistan is increasingly unstable." PolCouns assured him that the USG considered a stable Pakistan to be a top priority. Raghavan assessed that, though the GOI was glad that Indo-Pak relations were independent of the internal turmoil taking place in Pakistan, India still had concerns about extremists.

"Sanctions Against Iran Have Been Inconsequential"

17. (C) In response to reftel message delivered November 16, Raghavan said he agreed with most of the U.S. points and would take them into account when India prepared its position on the IAEA DG's report on Iran. The GOI took the IAEA Director General's point that it was not yet possible to say that Iran was fully compliant, Raghavan indicated, adding that the issue now was how to progress further. While many BOG members may not be satisfied with the IAEA work plan, he averred, Iran had taken some incremental steps. On sanctions, Raghavan confirmed that India would continue to be fully compliant with UN Security Council Resolutions (UNSCR) 1737 and 1747, explaining that India did not want nuclear proliferation in its neighborhood. He argued, however, that sanctions had been largely inconsequential and that another round would be equally ineffective. "Iran has been under sanctions since 1996, but they have always been waived," Raghavan claimed. The issue, Raghavan continued, was that the international community had to engage with Iran.

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PolCouns countered that the USG had sought to do that, and had left open a window for additional engagement with Iran.

Iranian Home Minister Talks IAEA with the GOI

18. (C) Raghavan reported that Iranian Home Minister Mostafa Pour-Mohammadi had been in New Delhi November 6-8 to attend the Second Asian Ministerial Conference on Disaster Risk Reduction, and had met separately with Foreign Minister Mukherjee. Pour-Mohammadi gave the GOI a read-out of how Iran was planning to approach the IAEA, according to Raghavan. The Government of Iran would highlight that the issue of P1 and P2 centrifuges had been clarified, and that it had made clear its technology for enrichment and had provided it to the IAEA, which appeared to be satisfied, conveyed Raghavan. He reiterated the GOI's position, that the IAEA should be the agency to clarify issues of Iran's nuclear program, and that Iran must cooperate fully; India stood by peaceful, diplomatic negotiations.

No Deadline on the India-Pakistan-Iran Natural Gas Pipeline

19. (C) PolCouns inquired whether the Iranians had given the GOI a four-month deadline to decide whether to be a part of the proposed Iran-Pakistan-India natural gas pipeline, as the local press had reported. Raghavan answered that the Iranians had extended no such deadline, and that, in fact, the Iranians were still eager for India to take part in the pipeline deal. PolCouns pressed Raghavan to consider the alternative Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline, underlining that it was preferable to engaging in business as usual with Iran. Raghavan contended that there was no easy alternative, explaining that

Afghanistan was even more of a challenge for transporting natural gas than Baluchistan. He relayed that the GOI was also concerned about the quality of the natural gas that Turkmenistan would provide, adding that Turkmenistan would not necessarily be more reliable business partner than Iran.

Comment: No Iran Statement is Better than a Weak One

10. (C) Considering that a weak statement from India on Iran would only increase concerns among Members of Congress about the India-Iran relationship, Menon's indication that India may not make a statement at the IAEA Board of Governors meeting is good news. Although the GOI continues to be less than enthusiastic about another round of UN sanctions, it has faithfully complied with UNSCRs 1737 and 1747, and would likely comply with new sanctions should the UN decide to impose them.

India Staying Quiet on Pakistan to Keep Extremists at Bay

11. (C) (Comment continued) India's decision to keep quiet about current events in Pakistan shows that the GOI does not want to appear to interfere in Pakistani internal politics, and wishes to avoid giving a rationale to radical elements to target India. The break-in at the Indian High Commissioner's residence in Islamabad troubles the GOI, which is apprehensive that this may be a signal that long-standing red lines between Pakistan and India are changing, and that new, unknown entities are calling the shots in Islamabad. India has thus far avoided any tit-for-tat response to the break-in due to its awareness that any action - no matter how slight - may further complicate matters for Musharraf. End comment.

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